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THE IMPACT OF PLANT CLOSURES ON OLDER WORKERS

CONSOLIDATED BATHURST: A CASE STUDY

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THE IMPACT OF PLANT CLOSURES ON OLDER WORKERS

CONSOLIDATED BATHURST: A CASE STUDY

PREPARED BY

MYRON KRAMAR

August, 1984



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Myron Kramar.





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## INTRODUCTION

While an employment counsellor with the Citizen Action Group, a federal outreach program that seeks to assist hard-to-employ individuals in their pursuit of a job, it became apparent that a new group of hard-to-employ individuals was emerging in the Hamilton area, namely the older displaced worker. The effects of the recession and the increases in both major layoffs and plant closures have displaced these individuals from an otherwise secure economic existence. The impact of this displacement generated concern on the part of Citizen Action Group and a need to assess the situation specific to the older worker. This would enable counsellors at Citizen Action Group to better serve their older clients.

This study focuses on the plight of the blue collar older worker (45-64 years of age) by comparing their circumstances to that of the younger blue collar worker (25-44 years of age), through a case study of a plant closure.

The objectives of this study are as follows:

- 1) To determine the proportion of blue collar older workers who have been displaced from the goods producing sector of the work force on an indefinite basis in the Hamilton area.
- 2) To determine the extent of plant closures, government and union responses to the problem, as well as government programs and resources specific to help the older worker.
- 3) To profile a plant closure to determine its effect on blue collar workers, with specific comparisons between older and younger workers.
- 4) To determine the needs of older workers in relation to younger workers in coping with unemployment.
- 5) To determine whether more effective intervention strategies are required to help older workers.
- 6) To provide recommendations for further study and action.



## SECTION I

### LITERATURE REVIEW

Older workers have invested many years of their time and effort in securing steady employment in order to maintain a reasonable standard of living. Today, however, a growing number of older workers are confronted with the situation of unemployment. A study by Frank Sampson, "The Labour Force Position of Older Workers", concludes that older workers when compared to younger workers are characterized by:

- a) high employment stability stemming from infrequent job turnover;
- b) lower unemployment rates but a greater tendency to long-term unemployment, worker discouragement and labour force withdrawal once unemployed;
- c) low geographic and occupational mobility;
- d) lower rates of retraining;
- e) lower and historically declining rates of labour force participation. (Sampson, 1981, pg. 32)

The most frightening experience faced by the older worker is long-term unemployment, worker discouragement and labour force withdrawal.

Another study, "Plant Closing and Economic Dislocation" (Gordus, Jarley and Ferman), looking at a number of plant closure studies in the United States and Canada, also found a strong association that age is negatively related to re-employability. The major reason cited for this association was discrimination. Older workers are discriminated against because they are perceived as less productive, are stigmatized as being untrainable and are considered a poor investment for two reasons:

- 1) they lack the long run potential of younger workers;



- 2) the cost to the company in pension contributions and accident coverage rates make the older worker a greater risk thereby increasing the cost to the employer (Gordus, Jarley, Ferman, 1981, pg. 81 and 84).

As Kirsh comments,

"Myths or stereotypes have been promoted to push older workers to the periphery of our productive process... these myths have no basis in fact. Employment studies indicate that older workers miss less work, change their jobs less frequently, less often incur job-related illnesses, and, most important, that their output is equal to that of younger workers. Data indicate that performance on the job is not age related."

(Kirsh, 1983, p.40)

Another problem faced by the older worker is the problem of redundant skills. Older workers generally have experience in occupations in declining industries. As Sampson comments,

"The occupations in which older persons tend to be over-represented are those where the impetus to and capacity for growth is least...Older workers account for a disproportionately small share of professional and technical occupations....Within this group are several occupational specialities which either because of or in response to technological advances have become the leading areas of job proliferation in the Canadian labour market (i.e. computer specialists, operations and systems analysts, electronics engineers, social scientists, health technicians, specialist teachers). The slower influx of older workers into these areas could put the entire group at a major disadvantage in a structurally changing job market."

(Sampson, 1981, pg. 4 and 7)

At the recent Economics Future Conference in Hamilton, Ontario on October 13, 1984, Dr. Storey commented that,

"...semi-skilled blue collar occupations are the most threatened by new technology and the vast majority of new jobs will bear little or no relation to the jobs that have been displaced and transformed."

The reluctance of older workers to undertake retraining places them in a non-competitive position in a changing job market. When a plant closes, the possession of a transferable skill is advantageous in that it reduces the on-the-job training time necessary for workers to begin producing on a profitable basis for their new employers. (Gordus, Jarley and Ferman, 1981, pg. 91) For the older worker, retraining, therefore, becomes a necessity for successful re-integration into the labour force.

The older displaced worker, facing a longer period of unemployment, is more likely, in the long run, to experience a loss of savings, increase in debt and cutbacks in expenditures. As Gordus, Jarley and Ferman state,

"Availability of resources is the most important single factor affecting the morale and mental health of the worker. Resource availability makes continued social reciprocity possible, permits continued memberships in associations and makes possible an element of control over the environment."

(Gordus, Jarley and Ferman, 1981, pg. 135-136)

Unemployment and poverty are strongly related and conditions of poverty create both mental and physical risks.

The mental and physical effects on the unemployed have been well documented. One recent study by Kirsh, "Unemployment - Its Impact on Body and Soul", gives a vivid analysis of the human costs of unemployment. Older workers suffer job loss like anyone else. As Kirsh states,

"It seems that while responses may vary, there is a tendency for the journey through emotional and behavioural cycles of unemployment to take the following form:

- 1) shock
- 2) optimism; attempts to find employment
- 3) pessimism; depression, anxiety
- 4) fatalism; low job-seeking, apathy/  
despair, adaptation to a  
lower standard of living."

(Kirsh, 1983, pg.3)

The prolonged impact of joblessness faced by the older worker and the resultant discouragement to look for work could change the unemployed older worker into an unemployable one.



## SECTION 2

### UNEMPLOYMENT TRENDS IN THE HAMILTON-METROPOLITAN AREA (1979-1983)

#### INTRODUCTION

The purpose of this section is to obtain some understanding of the impact of unemployment on the older blue collar worker in the Hamilton Metropolitan area.

This section will focus on a comparison between older and younger workers in blue collar occupations over the past five years to contrast and compare trends in their unemployment experience. This information will give some indication as to the proportion of blue collar older workers displaced indefinitely from the work force.

For the purpose of this study, blue collar occupations are defined as those workers involved in the following occupations:

- Primary Occupations
- Processing Occupations
- Machining, Product Fabricating, Assembling and Repairing Occupations
- Construction Trades
- Transport Occupations
- Other: includes material handling and related occupations, other crafts and equipment occupations and occupations not elsewhere classified.

#### PROFILE OF HAMILTON-METROPOLITAN BLUE COLLAR OCCUPATIONS

Census data for 1981 (see Table 1) shows that 37.2% of the labour force in the Hamilton area\* consists of workers in blue collar

---

\* CMA - includes Hamilton, Dundas, Stoney Creek, Ancaster, Flamborough, Glanbrook, Burlington and Grimsby.

occupations. The highest proportion of blue collar workers in the labour force (13.8%) are involved in machinery, product fabricating, assembling and repairing occupations.

TABLE 1

LABOUR FORCE IN BLUE COLLAR OCCUPATIONS  
FOR HAMILTON METROPOLITAN  
(Census, 1981)

Occupation	Male	Female	Total	% Labour Force (Total = 278,745)
Primary	4,205	1,650	5,855	2.1
Processing	15,350	2,725	18,075	6.5
Machining & Related	32,255	6,165	38,420	13.8
Construc- tion	14,390	0	14,390	5.2
Transport	9,015	0	9,015	3.2
Other	13,530	4,245	17,775	6.4
Total	88,745	14,785	103,530	37.2

UNEMPLOYMENT RATES - ALL INDUSTRIES

Table 2 shows the trend for unemployment rates for all industries, annually from 1979-1983. Unemployment rates for the goods-producing sector (i.e. that sector containing the bulk of blue collar occupations) are higher than the service sector (i.e. that sector containing the bulk of white collar occupations) over the past four years.

Between 1981 and 1982, the unemployment rate increased by 6.6 percentage points for the goods-producing sector and only 2.5 percentage points for the service sector. The unemployment rate increased slightly in 1983 for both sectors.

TABLE 2

UNEMPLOYMENT RATES BY INDUSTRY  
(1979-1983, Annual Averages)

Industry	<u>Unemployment Rates</u>				
	1979	1980	1981	1982	1983
<u>Goods Producing Sector</u>	7.9	8.6	8.6	14.2	14.7
Agriculture	4.0	4.2	4.5	6.4	7.2
Other primary	9.1	9.1	10.4	16.9	17.1
Manufacturing	6.8	7.9	7.9	13.4	13.0
Construction	13.3	13.8	12.7	20.5	23.9
<u>Service Sector</u>	6.3	6.1	6.1	8.6	9.5
Transp./Comm.	5.0	5.0	5.1	7.5	8.3
Trade	6.5	6.7	6.5	9.6	10.5
Finance	3.7	3.4	3.9	5.3	6.0
Business and Personal Service	7.1	6.6	6.8	9.2	10.2
Public Admin.	6.1	5.7	5.4	7.0	7.2

Source: Statistics Canada: Labour Force Annual Averages 1975-1983.





TABLE 4

NUMBER UNEMPLOYED REGISTERED IN BLUE COLLAR OCCUPATIONS IN THE HAMILTON METROPOLITAN AREA  
(1979-1983, September of each year)

Year	Unemployed Registered by Occupation					Total	% Change	% Total Unemployed
	Primary	Processing	Machining	Construction	Transportation	Other		
1979	207	994	2,098	947	485	1,752	6,483	40.6
1980	168	1,212	2,855	1,100	658	1,786	7,779	47.8
1981	210	1,252	3,084	1,220	771	1,768	8,305	35.9
1982	338	2,478	5,964	2,584	1,448	2,861	15,673	50.0
1983	434	2,642	6,753	3,419	1,575	2,870	17,693	39.5

Source: CEIC Operational Data

Table 5 compares the total unemployed registered for the age categories 25-44 and 45-64 in the Hamilton Metropolitan area. Both age groups experienced similar jumps in unemployment between 1981 and 1982 (i.e. 83.8% and 77%, respectively). The percent change from the previous year indicates that the 45-64 year age category generally falls a few percentage points below the 25-44 year age category. Between 1982 and 1983, however, the percent increase for the 45-64 year age category (46.5%) was more than double that of the 25-44 year age group (19.7%), indicating a reverse in trend.

TABLE 5

NUMBER OF UNEMPLOYED REGISTERED BY AGE GROUP  
IN THE HAMILTON METROPOLITAN AREA  
(1979-1983, September of each year)

Year	25-44 Years of Age				45-64 Years of Age			
	Male	Female	Total	% Change	Male	Female	Total	% Change
1979	2,274	3,422	5,696	13.6	1,253	1,433	2,686	8.6
1980	3,289	3,183	6,412	17.6	1,537	1,379	2,916	11.1
1981	3,838	3,774	7,612	83.8	1,660	1,580	3,240	77.2
1982	7,914	6,074	13,988	19.7	3,282	2,461	5,743	46.5
1983	9,934	6,815	16,750		5,343	3,068	8,416	

Source: CEIC Operational data

TABLE 6

AVERAGE DURATION OF UNEMPLOYMENT BY AGE GROUP IN ONTARIO  
(1979-1983, Annual Average)

Both Sexes	1979	1980	1981	1982	1983
	(in weeks)				
15-24 years	12.6	12.4	13.0	15.4	18.4
25-44 years	15.9	15.8	15.9	18.0	23.1
45+ years	18.9	18.9	19.3	20.4	26.7

Source: Statistics Canada, Labour Force Annual Averages  
1975-1983.

## DISCUSSION

Unemployment in blue collar occupations has increased substantially in the period 1981-1982 and has continued to increase into 1982-1983. The Hamilton area has a high proportion of blue collar occupations (37.2%) but an over-representation of unemployed in these occupations, relative to the labour force. Both younger and older workers experienced an overwhelming increase in unemployment between 1981-1982 which reflects the percent increase in unemployment in blue collar occupations. Older workers experienced an even higher increase in unemployment between 1982-1983 than did the younger worker. The percent increase for both the younger (19.7%) and older workers (46.5%) in 1982-1983 does not, however, reflect the increase in unemployment in blue collar occupations (12.8%). This suggests that increased unemployment in 1982-1983 is not only attributed to increases in unemployment in blue collar occupations but also to a larger extent to other occupational groups, especially in the case of the older worker.

Continual increases in unemployment suggests that jobs are decreasing and that displacement of workers from blue collar occupations is growing. Table 6 shows the average duration of unemployment by age group from 1979-1983. The older worker once unemployed has on average a longer duration of unemployment to cope with. This trend is consistent over the past five years. This coupled with increases in unemployment for both age groups suggests that re-integration into the work force is more difficult for the older worker.

### SECTION 3

#### OLDER WORKERS - POLICY AND PROGRAM REVIEW

##### INTRODUCTION

The previous section has shown that unemployment for both older and younger workers has increased substantially since 1979. This section will examine the extent of plant closures in Ontario for 1982 and 1983 and will also look at both government and union responses in their attempts to deal with the problem. It is hoped that this will provide a general overview of the nature of plant closures, the legislation pertinent to plant closures and government programs designed to help the older displaced worker specifically.

##### EXTENT OF PLANT CLOSURES

In Ontario, the Plant Closure Review & Employment Adjustment Branch was established in 1980 to monitor large scale plant closures (i.e. those companies displacing 50 or more people within a four week period). Table 7 shows the extent of large scale closures and reduced operations for 1982 and 1983 in Ontario.

In 1982, 46,076 workers and in 1983, 16,934 workers were either terminated or layed off indefinitely from their jobs in Ontario. It was also estimated that 300-400 smaller companies and businesses experience bankruptcies each year, each affecting less than fifty employees and not required to report to the Plant Closure Review Branch. Large scale layoffs and terminations had decreased substantially in 1983 compared to 1982. Complete closures, however, still remained relatively high in number. Complete closures decreased only 28.8% compared to 67.7% for reduced operations in the 1982-1983 period.



TABLE 7

WORKER LAYOFFS AND TERMINATIONS  
(50 or more/company)

	<u>Reduced</u> <u>Operations</u>		<u>Partial</u> <u>Closures</u>		<u>Complete</u> <u>Closures</u>		<u>Total</u>	
	No.	Workers Affected	No.	Workers Affected	No.	Workers Affected	No.	Workers Affected
1982	150	34,926	13	1,232	73	9,918	236	46,076
1983	53	10,396	8	995	52	5,543	113	16,934

Source: Plant Closure Review and Employment Adjustment Branch

PROVINCIAL GOVERNMENT RESPONSE TO PLANT CLOSURES

The Ontario government, through the Ministry of Labour, made revisions to the Employment Standards Act in 1980 to provide regulations in the event of mass layoffs and terminations. Details of this legislation are given in Appendix I. The only provisions aimed at offsetting the impact on the displaced worker are advance notice and severance pay. The Government of Ontario has no legislated authority over corporate decisions to close and only requires that the company give advance written notice to the Minister of Labour.

## FEDERAL GOVERNMENT RESPONSES TO PLANT CLOSURES

The federal government established a Manpower Consultative Service through Employment and Immigration Canada to help employers and employees meet the difficulties of industrial change and the disruption caused by large scale layoffs. The Manpower Consultative Service aims to facilitate employee/employer resolutions of adjustment problems and to co-ordinate the application of labour market and industrial assistance programs where appropriate. In the event of plant closures, a Manpower Adjustment Program attempts to organize a Joint Consultative Committee comprised of both management and employee representatives, chaired by an independent private citizen, to assist in the development and implementation of measures affecting the workers. This committee is financed on a cost-shared basis between the federal and/or provincial governments and the company. Direct services to the displaced worker include access to job placement, job search preparation, retraining, pre-retirement and counselling programs.

## UNION RESPONSE TO PLANT CLOSURES

Measures to decrease the impact of plant closures on displaced workers to a large extent depends on the provisions, if any, unions are able to negotiate for their members. These provisions (i.e. relocation to other plants, moving expenses, early retirement pensions, etc.) can either be negotiated through the collective agreement process or through civil claims for unjust closures by filing complaints for damages with the Labour Relations Board.

As an example, an announcement was made by Westinghouse in January, 1979, to close their Switch Gear Plant in Hamilton, Ontario. The company stated the reason for closure was due to changing tariffs. The local United Electrical Workers Union lobbied both the federal and provincial governments and filed a complaint with the Labour Relations Board,

stating that sanctions were taken by the company for anti-union reasons. The pressure that the union applied on the company resulted in offers of severance pay, opportunities for early retirement under specific conditions and rights to relocate. The Labour Board further ordered the company to pay for the costs of moving, including temporary residence for one year, travelling expenses and legal expenses for the sale and purchase of property. The company was also ordered to reimburse the union for organizational costs at the new location. During the regular contract talks for all Westinghouse employees, the union was able to formalize these provisions into their collective agreement with the company to provide some protection for workers in case of future plant closures.

The main thrust of union activity with regards to plant closures is directed towards changing provincial legislation to prevent or minimize their impact. The Ontario Federation of Labour, in a recent response (September, 1983) to the Ministry of Labour, urged sixteen proposals to amend the Employment Standards Act to deal with shutdowns, cutbacks and layoffs. These proposals are concerned with deterring plant shutdowns and lessening the burden on the workers in the event that shutdowns cannot be averted.

To highlight, in the case of plant shutdowns, the OFL argues that the company should be compelled by law to justify its decision before a public tribunal and should submit to a feasibility study. Disincentives in the form of financial and other penalties should be paid by the company intending to close its operation to offset loss of revenue to the community, financial provisions for retraining, relocation and income support to the workers affected. Notice of termination should be at least six months for any group of ten or more workers terminated or who are laid off. Displaced workers should receive adjustment assistance including severance pay, mandatory transfer rights (with no reduction in benefits), guarantee of all fringe benefits payments and adequate income

maintenance from the company until the individual is re-employed. Workers should be entitled to accumulate adequate pension benefits throughout their working lifetime. This would include improved vesting provisions, portability and pension funds secured by employer assets.

#### GOVERNMENT PROGRAMS TO ASSIST OLDER WORKERS

In 1981, the federal government established the Industry and Labour Adjustment Program (ILAP) to provide additional assistance to those communities and industries hardest hit by layoffs. Under the ILAP designation, two programs were designed specifically to help the older worker. They are as follows:

##### 1) Portable Wage Subsidy

This program is administered through the Canada Employment & Immigration Commission and offers a \$2/hour wage subsidy to employers for a period of twelve months anywhere in Canada that offer jobs to workers presenting subsidy vouchers. Workers displaced in designated communities or industries who are forty-five and over, have had at least two years employment out of the last ten years with the affected firm or industry and have little prospect of early re-employment are eligible for these vouchers.

##### 2) Labour Adjustment Benefits Program

This program is administered through the Department of Labour and provides an early retirement benefit program. The level of benefit is 60% of the average weekly insurable earnings based on the last twenty weeks prior to the layoff. Eligible recipients are displaced workers in designated industries who are between fifty-five and sixty-four years of age at the time of layoff, who have had at

least ten years employment in the industry within the fifteen years immediately prior to layoff and have exhausted their unemployment insurance benefits. Individuals between fifty and fifty-four years of age, with thirty years service, can also be considered if they pass a means test.

Canada Employment Centres, administered by the Canada Employment & Immigration Commission, also provide a number of services (i.e. counselling, retraining, etc.), which are available to all workers. Specific to older workers, under the Career Access program, a worker with redundant skills can be classified as socially disadvantaged with respect to finding gainful employment and can be eligible for a wage subsidy for a maximum of fifty-two weeks. The actual subsidy paid to employers varies according to individual difficulties in finding employment.



## SECTION 4

### CONSOLIDATED BATHURST: A CASE STUDY

#### INTRODUCTION

In Hamilton, Consolidated Bathurst, a corrugated container manufacturer, closed its operation on April 26, 1983. In September, the union was approached and agreed to participate in a study to determine the effects of closure on their workers. Forty (40) former employees were chosen randomly for the study group, comprising a representative sample of both younger and older workers. The employees were interviewed indepth to assess their particular life situation since the closure, to determine the needs of older workers in relation to younger workers in coping with unemployment.

#### METHODOLOGY

To enable a comparison between younger and older workers, and to ensure a representative sample across all age groups, a list of terminated employees from Consolidated Bathurst was broken down into the following four age categories: 25-34, 35-44, 45-54 and 55-64. Ten names were selected randomly from each age category and the individuals were contacted by telephone.

The individuals contacted were asked if they would like to take part in a study on unemployment to assess the impact of plant closures on individual lives. They were also told that the union was aware that this study was underway to offset any concerns they might have. Several attempts to contact some individuals were made, both in the day time and the evening, in case they were working. The response was very good with only four individuals refusing to be interviewed. The reasons for refusals were confidentiality or simply not wanting to talk about it. To ensure a complete sample, refusals and no contacts were replaced by drawing more names randomly from the lists. Only nine individuals from

the 25-34 year age category were interviewed because one individual could not be contacted. The respondents for this age category were the most difficult to locate because their telephone numbers were no longer in service or they were never home when contacted. All unemployed and some employed respondents were interviewed in their homes. Eight employed respondents were interviewed by phone. Difficulties in establishing convenient interview times required a change from the face-to-face approach. The interviews were held in two time periods (twenty in November-December, 1983 and nineteen in February, 1984).

### THE INSTRUMENT

The questionnaire was divided into three sections. The first section was directed at all respondents and dealt with demographic data and attitudes towards the company. The second section looked at the situation of the unemployed to assess the status of their finances, job search activities and attitudes and a general assessment of their personal coping abilities. The last section looked at the situation of the employed to assess the status of their present employment situation to compare that with their employment prior to the closure. The questionnaire was developed using previous experience as an employment counsellor and a general survey of the literature. The instrument was pretested and three adjustments were made in the wording of questions.

### ANALYSIS

It should be noted that open-ended questions were used to assess both attitudes and personal coping abilities, therefore caution should be taken in interpreting these results. The responses were used to obtain a general feel for the situation of the unemployed and were categorized in an attempt to prevent the subjective interpretation by this author. This format was used to distinguish any differences in attitudes and coping abilities between older and younger workers and was not intended to be a detailed account of the effects on the mental and physical status of the unemployed.

## BACKGROUND

Consolidated Bathurst is a corrugated container manufacturer that acquired the Hamilton plant in 1946, twenty years after its opening in 1926. It is one of six plants owned by Consolidated Bathurst in the industry of corrugated boxes. On March 1, 1983, the employees (220) at Consolidated Bathurst received official notice of termination, eight weeks prior to the April 26, 1983 closing date. A letter was also directed to the Ontario Minister of Labour stating the reason for closure:

"The viability of this operation has been continuously under review mainly because of increasing costs and serious loss situations. Under present and continuing difficult conditions, we can no longer continue to operate this plant."

In January, 1983, the International Woodworkers of America, the union representing the hourly employees at Consolidated Bathurst, had formally signed a new three year contract with the company, at which time no mention was made of the upcoming closure. Rumours of closure had started circulating a few days after the contract was formally signed. It was shortly after this signing that the employees at the Hamilton plant received their notice of termination. In July, 1983, Consolidated Bathurst merged with McMillan Bloedel, another corrugated box manufacturer.

## COMPANY CONCESSIONS TO THE DISPLACED WORKERS

On March 4, 1983, union officials met with the company to negotiate concessions, as there was no indication that the company

intended to keep the plant going. Concessions in the form of severance pay and early retirement provisions were granted to the employees. Hourly employees were given one week's severance pay for each year of service to a maximum of twenty-six weeks with eligibility for early retirement at fifty-four years of age. The company originally set fifty-five years of age as the cutoff for early retirement, but the union successfully negotiated to fifty-four years of age. Three options were available to the sixteen employees eligible to take early retirement.

It should be noted that the majority of Bathurst employees opted out of the company pension plan in 1962. At that time, employees were given a choice to either stay in a contributory company pension scheme (50-50 split) or plan for their own retirement. For those who stayed in the plan, they could take a reduced pension immediately for life, a reduced pension with integration (i.e. take more pension immediately with a reduced pension at sixty-five years of age) or a reduced pension with integration and bridging (i.e. take all their pension up to sixty-five years of age at which time the company would deduct Old Age Security and Canada Pension from the company paid pension). Retirees would also be eligible for 50% of their OHIP paid and a paid-up life insurance policy. Furthermore, hourly employees between forty and fifty-four years of age, who had contributed to the company pension plan, had their portion of contributions frozen until they reached retirement age.

Salaried employees, on the other hand, were eligible for severance pay up to a maximum of fifty-two weeks and were eligible for early retirement at fifty years of age. On reaching sixty-five years of age, the company would deduct Old Age Security and Canada Pension from the full amount, but would pay out the remainder until death. Retirees would be eligible to receive all benefits (i.e. prescriptions, eye glasses, dental and 50% of OHIP), full coverage on their life insurance until age sixty-five, with a reduced life insurance policy until age seventy-five, and a paid-up policy of an unknown amount after age seventy-five.



To highlight these differences between hourly and salaried workers, a foreman with seventeen years in the pension plan would be entitled to \$1,500.00 pension per month from the company until age sixty-five, would receive all benefits and have a life insurance policy of \$60,000. An hourly worker with twenty-five years in the pension plan would be entitled to \$697.98 pension per month from the company until age sixty-five under the integration and bridging supplement, would be entitled to 50% paid OHIP and a paid-up insurance policy of \$11,000. Furthermore, a salaried employee with thirty years service would receive \$30,000 in severance pay, compared to an hourly worker with thirty-five years service who would receive only \$12,000. Both salaried and hourly employees would not be entitled to benefits or a life insurance policy.

#### TAKEOVER BID

An attempt was made by some Consolidated Bathurst employees under the direction of City council members and a Montreal entrepreneur to buy out the Consolidated Bathurst plant prior to its closing. A committee was formed and approached the company asking for time to determine whether the plant could still be made viable under new management. Severance pay along with government funds would be used to buy the plant and to continue production. The committee sent a letter to the company with a \$1.00 down payment to buy the plant. Consolidated Bathurst was negotiating the sale of its equipment with an American-based company and sent a message back stating that they were not willing to sell the plant.

#### LEGAL ACTION

Just after Consolidated Bathurst closed, the union filed a complaint with the Labour Relations Board stating that the company had bargained in bad faith. In September, 1983, the Board agreed that the



company had bargained in bad faith and ruled that the company should have been in a position to broach the issue of a possible closing to the union during contract negotiations. The Board ruled that the company's silence at the bargaining table was tantamount to misrepresentation and that the International Woodworkers of America would have obtained a better deal on benefits than the union negotiated, if it had known about the upcoming closings. The Board deferred a decision on damages and ordered that another hearing be held. The union wanted implementation of severance pay of two weeks for each year of service, all benefits paid to employees for the remainder of the collective agreement, improved pension benefits, retraining, relocation to other plants and the release of frozen pension contributions. The company refused to meet with the union to discuss damages. On March 16, 1984, the Labour Relations Board ordered the company to pay \$295,000 to its hourly employees. The union was asking for a total of \$7 million in damages. The hourly employees won only  $\frac{1}{4}$  of what the office workers received in severance pay, over and above what they had gotten initially. The workers also won the right to refrain from taking the newly acquired severance pay immediately, on the condition that they may have priority hiring at another Consolidated Bathurst company. Within a year of this decision or any time prior to that, the worker may elect to take his monetary benefit and waive further considerations for priority of hiring. The employees are presently waiting to meet with the company to implement these decisions.

#### PLACEMENT COMMITTEE

The federal government, through representatives from the Manpower Consultative Service, approached representatives of the hourly and salaried workers and management to form a placement committee (two representatives from each group) under the chairmanship of an independent private citizen, once the closure was imminent. The management

representatives eventually dropped out, leaving a placement committee composed of union and salaried representatives only. The committee was funded on a cost-shared basis, the federal government contributed 50%, the company 40% and the provincial government 10%. The committee was originally planned to operate until the end of December, 1983, but was extended until April, 1984.

The committee sent letters and phoned hundreds of companies in the Hamilton area to help the former employees find work. The committee also provided the former Bathurst employees with information regarding an Occupational Education Adjustment Program and an Orientation to Change Program administered through Mohawk College. The Occupational Education Adjustment Program was a four day seminar to help former employees with resumé preparation, basic job search skills, interviewing skills, budgetting and stress counselling. A number of sessions were held from May to July, 1983. Approximately 50-60% of the hourly workers took advantage of this program.

In September, 1983, a number of unions in the Hamilton area, including the Placement Committee at Consolidated Bathurst, approached the Canada Employment Centre to obtain some subsidized assistance for their older workers. A pilot project called Orientation to Change had been run by Mohawk College earlier in 1983 and the Canada Employment Centre agreed to fund new programs for the displaced workers but required that it be open to all employees regardless of age. Orientation to Change is a three week inclass program held at Mohawk's Saltfleet campus to help unemployed individuals, on Unemployment Insurance Benefits, assess their current situation. The program aimed to help individuals assess their current skill levels, look realistically at the type of jobs and wages they were able to pursue, and consider retraining as an alternative option. This comprehensive program incorporated goal setting, career planning, retraining and job search techniques as its fundamental objectives. A number of courses were run starting in January, 1984.

Approximately 50-60 Consolidated Bathurst employees registered with the program. Twenty-six individuals had enrolled in the Mohawk College re-training program as a result of this program, twenty-five of whom were over the age of forty-five.

The Placement Committee, one week prior to its April 19, 1984 termination date, had a list of eighty-three hourly workers as currently working (43% of all hourly employees), thirteen of which were temporarily laid-off. A breakdown of individuals by age shows that 69% of the younger workers (i.e. less than forty-five years of age) and 32% of the older workers (i.e. over forty-five years of age) were placed successfully into a job. A further breakdown of the older workers shows that only 18% in the 55-64 year age category were placed successfully into a job.

#### CURRENT STATUS

As of mid April, 1984, those individuals without jobs and not engaged in some retraining program will have run out of Unemployment Insurance Benefits. In a last effort attempt to help their older workers, the Placement Committee approached the federal government and asked in a letter directed to André Oulette, Minister of Finance, to designate Consolidated Bathurst as an ILAP industry, to entitle the older workers for the Labour Adjustment Benefit Program. A letter was received from the Minister's office stating that funding was scarce and that their office would look into the union's request. The Placement Committee is presently approaching welfare officials to obtain information on the procedures regarding application for welfare assistance.

## SECTION 5

### THE FINDINGS

#### THE SAMPLE CHARACTERISTICS

In this analysis, thirty-nine former union employees were interviewed comprising 23% of the total union employees terminated by the closure. Only one female was represented in this group. The nineteen former employees in the 25-44 age group (younger workers) represent 39% of that age group and the twenty from the 45-64 age group (older workers) represent 19% of that age group. The demographic characteristics of both age groups are summarized in Table 8, and Table 9 shows the employment characteristics of respondents prior to closure of the plant.

Both age groups show a significant majority of married respondents, 74% for younger workers and 90% for older workers. Data also shows that 14% of the younger respondents are from a two-member household compared to 58% of the older respondents. Younger respondents had twenty-two children under the age of eighteen and two over eighteen, compared to the older workers who had four children under the age of eighteen with eight over eighteen. Of the ten children over eighteen in both age groups, nine were still in school and one was unemployed. It is also significant to note that only 16% of younger respondents compared to 70% of older respondents owned their own homes with no mortgage owing. No respondents indicated a change of residence due to the closure.

The average years of service with the company (Table 9) was 25.5 years for the older worker and 12.1 years for the younger worker. The majority of older respondents had 20-30 years of service compared to 0-20 years of service for younger respondents. There was no significant difference in earned income between age groups as both groups showed the highest percentage (47.3 and 55.0) in the \$20,000-\$24,999 income range.

The mean income for both groups was \$22,710 and \$23,025, respectively. Younger respondents indicated machine operation (47%) and machine helper/labourer (37%) as their major occupations, whereas older respondents indicated machine operation (70%) as their major occupation. Only two respondents indicated skilled occupations (i.e. maintenance electrician and a tractor-trailer driver). Finally, only  $\frac{1}{4}$  of both groups were contributing to a company pension plan.



TABLE 8

DEMOGRAPHIC CHARACTERISTICS OF THE SAMPLETOTAL EMPLOYEES TERMINATED

<u>Age</u>	<u>Number</u>	<u>% Total</u>	<u>Number Interviewed</u>	<u>% Age Group</u>
< 25	15	8.8	0	0
25-44	49	28.3	19	38.8
45-64	<u>106</u>	<u>62.4</u>	<u>20</u>	18.9
Total	170	100.0	39	

MARITAL STATUS/AGE

	<u>25-44</u>		<u>45-64</u>		<u>Total</u>	
	<u>No.</u>	<u>% Younger</u>	<u>No.</u>	<u>% Older</u>	<u>No.</u>	<u>% Total</u>
Single	5	26.3	1	5.0	6	15.4
Married	14	73.7	18	90.0	32	82.1
Other	0	0	1	5.0	1	2.6

FAMILY SIZE

	<u>25-44</u>		<u>45-64</u>		<u>Total</u>	
	<u>No.</u>	<u>% Younger</u>	<u>No.</u>	<u>% Older</u>	<u>No.</u>	<u>% Total</u>
Family of 2	2	14.3	11	57.9	13	37.5
Family of 3	3	21.4	6	31.6	9	28.1
Family of 4	7	50.0	1	5.3	8	25.0
Family of 5	1	7.1	1	5.3	2	6.3
Family of 6	1	7.1	0	0	1	3.1

TYPE OF RESIDENCE/AGE

	<u>25-44</u>		<u>45-64</u>		<u>Total</u>	
	<u>No.</u>	<u>% Younger</u>	<u>No.</u>	<u>% Older</u>	<u>No.</u>	<u>% Total</u>
House (Owned)	3	15.8	14	70.0	17	43.6
House (Mortgaged)	7	36.8	2	10.0	9	23.1
Rent (House or Apt.)	4	21.0	4	20.0	8	20.5
Boarding	5	26.3	0	0	5	12.8



TABLE 9

EMPLOYMENT CHARACTERISTICS PRIOR TO CLOSUREYEARS OF SERVICE/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
0-5	7	36.8	0	0	7	17.9
6-10	1	5.3	0	0	1	2.6
11-15	4	21.1	2	10.0	6	15.3
16-20	4	21.1	1	5.0	5	12.8
21-25	2	10.5	7	35.0	9	23.1
26-30	1	21.1	6	30.0	7	17.9
31-35	0	0	4	20.0	4	10.3

INCOME/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
< 20,000	4	21.1	4	20.0	8	20.5
20,000-24,999	9	47.3	11	55.0	20	51.3
25,000-29,999	4	21.1	2	10.0	6	15.4
30,000-34,999	2	10.5	2	10.0	4	10.2
> 35,000	0	0	1	5.0	1	2.6
Mean	22,710		23,025		22,872	

TYPE OF POSITION/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Skilled Trades	1	5.3	1	5.0	2	5.1
Machine Operator	9	47.3	14	70.0	23	59.0
Machine Helper/ Labourer	7	36.8	2	10.0	9	23.0
Other	2	10.5	3	15.0	5	12.8

INVOLVED IN COMPANY PENSION PLAN/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Yes	5	26.3	5	25.0	10	25.6
No	14	73.7	15	75.0	34	74.4



#### ATTITUDES TOWARD CLOSURE

Almost all (95%) the respondents (Table 10) thought the closure was unfair in that the company did not provide them with enough adjustment assistance. However, one respondent from the younger group thought it was fair, given that the company gave the workers what they were supposed to according to the Ontario legislation. Another respondent was planning to go to community college anyway so the closure did not upset him much. The prevalent feelings toward the company months after it had closed were anger, bitterness and hostility. The major overall reason cited equally by both groups was that the company did not provide any rights to relocate to other plants. Only one individual, according to a key informant, was actually relocated to a plant in Guelph. Other comments were directed at the method by which the company closed. Respondents complained that a three-year contract had been signed only one month prior to the notice of closure. Seven were upset with the way the company closed.

Several comments referred to poor severance allowances and the discrepancy between allowances offered to hourly and salaried workers. It is interesting to note that the older respondents cited the length of time spent with the company and the way they did it as their major reaction to the closure.

#### ATTITUDES TOWARD PLACEMENT COMMITTEE

As discussed earlier, a Placement Committee was established and funded by both the Federal and Provincial governments and the company, but when asked whether the company had provided any other assistance, 90% of the respondents said no. This reflects the negative attitude towards the company or lack of information as to the funding source of the Placement Committee. Those who said yes, the company had provided other assistance, cited the company as a funding base for the Placement Committee. Asked whether the union provided any other assistance, 85% said yes and cited the Placement Committee as the reason. Of those who answered yes,



50% found it useful. Reasons for usefulness included support, job leads, job placement and placement into government-sponsored programs (i.e. job search workshops, upgrading, retraining programs).

TABLE 10

REACTION TO THE CLOSURE

WAS COMPANY FAIR IN TERMS OF ASSISTANCE THEY GAVE YOU?/AGE

	<u>25-44</u>		<u>45-64</u>		<u>Total</u>	
	<u>No.</u>	<u>% Younger</u>	<u>No.</u>	<u>% Older</u>	<u>No.</u>	<u>% Total</u>
Yes	1	5.3	0	0	1	2.6
No	17	89.4	20	100.0	37	94.9
Indifferent	1	5.3	0	0	1	2.6

REASONS FOR UNFAIRNESS/AGE

	<u>25-44</u>	<u>45-64</u>	<u>Total</u>
No relocation	4	4	8
Signed 3 yr. contract/closed	5	2	7
"The way they did it"	2	5	7
Poor severance pay	4	3	7
No assistance	3	3	6
Discrepancy between hourly and salaried	2	3	5
Length of time spent there	0	5	5
Company not losing money	3	2	5
Not enough notice	4	0	4
Lost all benefits	0	2	2
Should have sold plant to us	1	0	1

#### EMPLOYMENT HISTORY SINCE CLOSURE

At the time of the interview, 30.8% of the respondents, six from the younger group and six from the older group, had found full-time work and were still employed. Within the older group, however, the 54-65 year age category reported only one out of ten working full-time with one not actively seeking work because of an injury. One individual had found part-time work. Seven respondents (37%) from the younger group and eleven respondents (55%) from the older group were unemployed and seeking work. Four respondents (21%) from the younger group and one respondent (5%) from the older group were involved in either upgrading or retraining programs. Of those not in the labour force, one respondent from the younger group had returned to the regular school system, while the other two were collecting Workmen's Compensation benefits. One of these individuals is awaiting disposition regarding his claim and might be required, in the near future, to initiate a job search, while the other is awaiting disposition for permanent disability.

One interesting finding is that 70.6% of younger respondents had found at least one job compared to only 42% of older respondents. Another interesting finding is that of those who found at least one job, the majority of younger respondents (83%) found it after twelve weeks, whereas the majority of older respondents who had found jobs (62.5%) found it under twelve weeks

TABLE 11

EMPLOYMENT STATUS AFTER CLOSUREEMPLOYMENT STATUS SINCE CLOSURE/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Employed Full-time	6	31.6	6	30.0	12	30.8
Employed Part-time	0	0	1	5.0	1	2.6
Unemployed/ Actively Seeking	7	36.8	11	55.0	18	46.2
Retraining/ Upgrading	4	21.0	1	5.0	5	12.8
Not in the Labour Force	2	10.5	1	5.0	3	7.7

FOUND AT LEAST ONE JOB SINCE CLOSURE/AGE

	25-44		45-64		Total	
	No.	% Younger*	No.	% Older*	No.	% Total*
Yes	12	70.6	8	42.0	20	55.6
No	5	29.4	11	57.9	16	44.4

TIME UNEMPLOYED BEFORE FIRST JOB/AGE

	25-44		45-64		Total	
	No.	% Younger+	No.	% Older	No.	% Total
Less than 4 wks.	1	8.3	2	25.0	3	15.0
4-7 wks.	1	8.3	1	12.5	2	10.0
8-11 wks.	0	0	2	25.0	2	10.0
12-25 wks.	7	58.3	2	25.0	9	45.0
25-51 wks.	3	25.0	1	12.5	4	20.0

\* Does not include the individuals not in the labour force.

+ Includes only those who had found at least one job.

## WORKING FULL-TIME

The employed respondents (Table 12) reported a similar occupation (69%) in their new jobs when compared to their old jobs. All but one of the older respondents (86%) were working in a similar type industry in almost the same occupations. Three respondents from the younger group (50%) were in similar industries while the other three found jobs in non-related industries.

Only one respondent from each group (15%) reported a higher income than before with the majority reporting lower incomes (54%). The benefits package improved for 31% of the respondents, 31% reported basically a similar package and 39% reported a worse package. The majority of older respondents (57%) reported a worse benefits package whereas half of the younger respondents reported a better package. A company pension plan was cited as the significant reason for an improved benefits package.

The majority of respondents in both groups were satisfied with both their positions and incomes. Given that the majority of respondents were making less money than before, some commented on the fact that they were glad to be working or that the money was not bad for what they were doing. Two respondents said that driving out of town to work each day was the reason for their dissatisfaction with their position and one attributed noise and loss of friends for his dissatisfaction.

The highest proportion (Table 13) of respondents (46%) found their present jobs on their own by directing either a letter or resumé to the company. Thirty-nine percent found their jobs through a personal friend or relative and two acquired their positions through the plant Placement Committee. Only 39% of the respondents received instruction in job search, with the majority of these respondents reporting it useful in having helped get their present position.

TABLE 12

EMPLOYMENT CHARACTERISTICS OF EMPLOYED RESPONDENTSTYPE OF POSITION/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Similar to old position	3	50.0	6	85.7	9	69.2
No similarity	3	50.0	1	14.3	4	30.8

STATUS OF INCOME/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Higher (i.e. > \$2,500)	1	16.7	1	14.3	2	15.4
About the same	3	50.0	1	14.3	4	23.5
Lower (i.e. < \$2,500)	2	33.3	5	71.4	7	53.8

STATUS ON BENEFITS/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Better	3	50.0	1	14.3	4	30.8
Same	2	33.3	2	28.6	4	30.8
Worse	1	16.7	4	57.1	5	38.5

SATISFIED WITH POSITION/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Yes	4	67.0	4	57.1	8	61.5
No	2	33.0	3	42.9	5	39.5

SATISFIED WITH INCOME/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Yes	6	100.0	5	71.4	11	84.6
No	0	0	2	28.6	2	15.4



TABLE 13

JOB SEARCH CHARACTERISTICS OF EMPLOYED RESPONDENTSMETHOD BY WHICH POSITION OBTAINED/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
On their own	3	50.0	3	42.9	6	46.0
Friends/family	2	33.3	3	42.9	5	38.5
Union	1	16.7	1	14.3	2	15.4

RECEIVED INSTRUCTION ON JOB SEARCH/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Yes	3	50.0	2	28.6	5	38.5
No	3	50.0	5	71.4	8	61.5

USEFULNESS OF INSTRUCTION RECEIVED/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Useful	2	66.7	2	100.0	4	80.0
Not useful	1	33.3	0	0	1	20.0

## THE UNEMPLOYED

This section will deal with those employees who are still unemployed but actively seeking work, including those individuals presently engaged in either upgrading or retraining. It should be noted that one unemployed respondent is not included in parts of this section as he was just terminated the week of the interview after having worked the previous four months. The interview questions in most parts of this section were designed for longer periods of unemployment.

## UNEMPLOYMENT HISTORY

From Table 14, a breakdown of time unemployed shows that the younger respondents were equally distributed between less than 26 weeks and 27-52 weeks. The older respondents, however, indicated a high proportion (92%) in the 27-52 week period. Overall, most of the people interviewed (80%) indicated being unemployed 27-52 weeks since their last job.

Of those unemployed, the majority of younger individuals (55%) held one or two jobs since the closure, whereas older individuals reported a very high proportion (92%) with no jobs since closure. Almost all individuals who had acquired a job since the closure reported their employment lasted less than ten weeks, with only one person having worked for more than ten weeks.

The major reasons cited for not working were a poor economy and age. Both groups responded equally to poor economy as the major reason and the younger group reported this as their primary reason. The older group reported age as their primary reason.

TABLE 14

UNEMPLOYMENT CHARACTERISTICSTIME UNEMPLOYED SINCE LAST JOB/AGE

	<u>25-44</u>		<u>45-64</u>		<u>Total</u>	
	<u>No.</u>	<u>% Younger</u>	<u>No.</u>	<u>% Older</u>	<u>No.</u>	<u>% Total</u>
Less than 4 wks.	1	9.1	1	8.3	2	8.7
4-12 wks.	3	27.3	0	0	3	13.0
13-26 wks.	2	18.2	0	0	2	8.7
27-40 wks.	0	0	6	50.0	6	26.1
40-52 wks.	5	45.5	5	41.7	10	43.5

NUMBER OF JOBS SINCE CLOSURE/AGE

	<u>25-44</u>		<u>45-64</u>		<u>Total</u>	
	<u>No.</u>	<u>% Younger</u>	<u>No.</u>	<u>% Older</u>	<u>No.</u>	<u>% Total</u>
0	5	45.5	11	91.7	16	69.6
1	4	36.4	1	8.3	5	21.7
2	2	18.2	0	0	2	8.7

LONGEST JOB HELD/AGE

	<u>25-44</u>		<u>45-64</u>		<u>Total</u>	
	<u>No.</u>	<u>% Younger</u>	<u>No.</u>	<u>% Older</u>	<u>No.</u>	<u>% Total</u>
0-9 wks.	5	83.3	1	100.0	6	85.7
10-19 wks.	1	16.7	0	0	1	14.3

REASON(S) FOR NOT WORKING/AGE

	<u>25-44</u>	<u>45-64</u>	<u>Total</u>
Age	2	9	11
Poor economy	6	6	12
Lack skills/ experience	1	2	3
Lack education	1	1	2
Has not looked hard	2	0	2

### ATTITUDES TOWARDS RETRAINING

The majority of younger workers (60%) (Table 15) felt they needed retraining with 40% undecided. The majority of older workers (75%) gave a definite "no" to this question with only 17% undecided. The one individual from the older sample who answered "yes" is presently attending a retraining program. Older workers generally felt that they were too old to benefit from retraining. Other reasons cited were language problems, length of time required to go through both upgrading and skills training, and limited education. It is interesting to note that one younger individual taking retraining said he did not know whether he needed it, while another thought it was better than sitting around and commented that he would rather be working. All the respondents involved in retraining did so towards the end of their unemployment benefit period with the help of the plant Placement Committee.

TABLE 15

### ATTITUDES TOWARD RETRAINING

#### NEED RETRAINING TO FIND SUITABLE WORK/AGE

	<u>25-44</u>		<u>45-64</u>		<u>Total</u>	
	<u>No.</u>	<u>% Younger</u>	<u>No.</u>	<u>% Older</u>	<u>No.</u>	<u>% Total</u>
Yes	6	60.0	1	8.3	7	31.8
No	0	0	9	75.0	9	40.9
Undecided	4	40.0	2	16.6	6	26.1

## JOB SEARCH ACTIVITIES

A comparison of job search activities (Table 16) produced no significant results between the two groups. The majority of unemployed (68%) indicated that they would take anything, whereas 27% were looking for similar type work. Just over half of all respondents (55%) had received instruction on job search and, of these, 75% found it useful. Sixty-four percent of all respondents had a resumé including all the individuals who received instruction. Only 20% of the individuals who had not received instruction were prepared with a resumé.

The respondents varied in their use of the different methods to find work, ranging from 1-6 methods. The highest proportion of respondents used two or three methods. Directly contacting employers (Table 17) was indicated by 77% of the respondents, the Canada Employment Centre by 55%, and the newspaper by 50%. Only two respondents indicated using the placement office as part of their job search.

Table 18 shows that the majority interviewed (59%) spent less than ten hours actively looking for work per week with 36% reporting between ten and nineteen hours of active job search. Forty-six percent applied to less than five companies in an average week, while 41% applied to 5-14 companies. Fifty percent of the respondents have not as yet had a job interview, 32% reported one interview and 14% reported two or more interviews.

Sixty-eight percent of the individuals interviewed (Table 19) had not contacted a Manpower counsellor as part of their job search. A majority (59%), however, are aware of one or more government programs to help them find work. Only one respondent, who had taken instruction in job search, reported no awareness of government programs, and 4/5 of the respondents who had not taken instruction reported no awareness of government programs. Only 27% reported looking into any government program,



with all but one of them presently taking either upgrading or retraining. One respondent was involved with the job club at the Canada Employment Centre, without success. The majority of older respondents are aware of the \$2.00/hour probable wage subsidy program discussed earlier.

TABLE 16

JOB SEARCH CHARACTERISTICSTYPE OF POSITION LOOKING FOR/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Similar to before	2	20.0	4	33.3	6	27.3
Anything	8	80.0	7	58.3	15	68.2
Don't know	0	0	1	8.3	1	4.5

HAVE YOU RECEIVED INSTRUCTION ON JOB SEARCH?/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Yes	5	50.0	7	58.3	12	54.5
No	5	50.0	5	42.7	10	46.5

WAS IT USEFUL?/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Yes	3	60.0	6	85.7	9	75.0
No	1	20.0	1	14.3	2	16.7
No comment	1	20.0	0	0	1	8.3

DO YOU USE A RESUME?/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Yes	6	60.0	8	66.7	14	63.6
No	4	40.0	4	33.3	8	36.4

NUMBER OF METHODS USED TO FIND WORK/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
One	2	20.0	2	16.7	4	18.8
Two	2	20.0	5	41.7	7	31.8
Three	3	30.0	3	25.0	6	27.3
Four	1	10.0	2	16.7	3	13.6
Five	1	10.0	0	0	1	4.5
Six	1	10.0	0	0	1	4.5



TABLE 17BREAKDOWN OF JOB SEARCH METHODS USEDJOB SEARCH METHODS USED/AGE

	<u>25-44</u>		<u>45-64</u>		<u>Total</u>	
	<u>No.</u>	<u>% Younger</u>	<u>No.</u>	<u>% Older</u>	<u>No.</u>	<u>% Total</u>
Direct contacts	8	80.0	9	75.0	17	77.2
Canada Employment Centre	6	60.0	6	50.0	12	54.5
Newspaper	6	60.0	5	41.7	11	50.0
Friends/Relatives	3	30.0	5	41.7	8	36.3
Mailing	3	30.0	3	35.0	6	27.2
Other	4	40.0	1	8.3	5	22.7





TABLE 18

LEVEL OF JOB SEARCH ACTIVITYHOURS ACTIVELY LOOKING FOR WORK/WEEK/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
High - > 30 hrs	1	10.0	0	0	1	4.5
Medium - 10-29 hrs	4	40.0	4	33.3	8	36.3
Low - < 10 hrs	5	50.0	8	66.7	13	59.0

COMPANIES APPLIED TO IN AVERAGE WEEK/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
High - > 15 companies	0	0	3	25.0	3	13.6
Medium - 5-14 companies	6	60.0	3	25.0	9	40.9
Low - < 5 companies	4	40.0	6	50.0	10	45.5

NUMBER OF INTERVIEWS/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
None	5	50.0	6	50.0	11	50.0
One	3	30.0	4	33.3	7	31.8
Two	0	0	1	8.3	1	4.5
Three or more	2	20.0	1	8.3	3	13.6



TABLE 19USE OF CANADA EMPLOYMENT CENTREHAVE YOU TALKED TO A MANPOWER COUNSELLOR?/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Never	6	60.0	9	75.0	15	68.1
Once	3	30.0	1	8.3	4	18.2
Twice	0	0	1	8.3	1	4.5
Three times	0	0	1	8.3	1	4.5
More than three times	1	10.0	0	0	1	4.5

AWARENESS OF GOVERNMENT PROGRAMS TO HELP FIND WORK/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
None	4	40.0	5	41.7	9	40.9
One	3	30.0	5	41.7	8	36.3
Two	2	20.0	2	16.7	4	18.2
More than two	1	10.0	0	0	1	4.5

HAVE YOU LOOKED INTO ANY GOVERNMENT PROGRAMS?/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Yes	4	40.0	2	16.7	6	27.3
No	6	60.0	10	83.4	16	72.7



## ATTITUDES TOWARDS FINDING WORK

The majority of older workers (67%) believe that they have explored all possibilities for finding work compared to only twenty percent of the younger workers. Some commented on the poor job market and the time of year as their main reasons for not looking. Others felt that they could look out of town or just apply themselves more effectively. A higher proportion (32%), mostly older respondents, felt that they needed job leads to find work, 14% indicated needing counselling and 42% did not know if they needed help or did not know what type of help they needed. The majority of respondents indicated that they spend more time thinking about looking for work than actually looking for work.

Both age groups indicated that there is not much hope that the employment situation will change (68%). The general feeling is that unemployment will level off near the present rate. Some commented on companies cutting corners, technology, poor demand and taxes as the main obstacles to economic growth and increasing employment. The majority of younger respondents (80%) are still hopeful that they will find work with only 33% of the older respondents showing any hope. The higher proportion (50%) of older workers indicated more uncertainty as to when they would find work. Only 36% of all respondents indicated that they would turn to welfare if they did not find work, with the majority not having any real idea of what they could do. Some suggested casual or lower paying work but no concrete planning has been indicated.





TABLE 20

ATTITUDES TOWARDS FINDING WORKEXPLORED ALL POSSIBILITIES TO FINDING WORK/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Yes	2	20.0	8	66.7	10	45.5
No	7	70.0	4	33.3	11	50.0
No Comment	1	10.0	0	0	1	4.5

TYPE OF HELP NEEDED TO FIND WORK/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Attending Up- grading/Retraining	4	40.0	1	8.3	5	22.7
Job Leads	1	10.0	6	50.0	7	31.8
Counselling	2	20.0	1	8.3	3	13.6
Don't know	3	30.0	4	33.3	7	31.8

WILL EMPLOYMENT SITUATION CHANGE?/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Hopeful	2	20.0	3	25.0	5	22.7
Not much hope	8	80.0	7	58.0	15	68.2
Don't know	0	0	2	16.7	2	9.1

WHEN DO YOU THINK YOU WILL FIND WORK?/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Still hopeful	8	80.0	4	33.3	12	54.5
Not much hope	0	0	2	16.7	2	9.1
Don't know	2	20.0	6	50.0	8	36.3

WHAT WILL YOU DO IF YOU DON'T FIND WORK?/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Indicated welfare	4	40.0	4	33.3	8	36.3
Don't know	6	60.0	8	66.7	14	63.6



## STATUS ON PRESENT INCOME

All but one of the respondents is presently collecting unemployment benefits (see Table 21). One has presently exhausted his benefits. Seventeen respondents reported co-habiting with spouses, of which 82% were providing the household with some income. The highest proportion of spouses (41%) are working part-time, 29% are working full-time and 12% are presently collecting unemployment benefits. Other income includes rent, monthly investment paybacks and a disability pension for a disabled family member.

Table 22 shows the breakdown of yearly income based on present income sources. A higher proportion (45%) of both groups have a yearly income in the \$10,000-\$14,999 range and the same proportion spend 60-79% of their monthly income on expenses (heat, hydro, rent, mortgage, food, automobile, taxes, loans, etc.) One significant difference is that the younger group (88%) spend over 60% of their income on monthly expenses compared to 50% in the older age group. Another significant difference is that 67% of the younger respondents reported less than \$5,000 or no savings and 92% of the older respondents had savings of \$5,000 or more with the majority (58%) in the greater than \$10,000 category.

The yearly income when compared to the Statistics Canada low-income cut-offs (see Table 23) indicates that 50% of younger households and 42% of older households (See Table 24) are below the poverty line. Another 3/4 of younger households are marginally above (i.e. within \$1,000) the poverty line indicating a near subsistence living. Only one older respondent was marginally above the poverty level. It should be noted that 3/4 of younger households had a family size of three or more compared to only 1/4 for the older group.

Table 24 also shows that the majority of all respondents (60%) have used their savings to meet monthly expenses with another 10%

exhausting their savings. It is interesting to note that the individuals who had not used their savings (29%) were all in the older group. Sixty-two percent of all respondents also reported that they could maintain their present standard of living for less than six months with only 10% reporting greater than twelve months. Most commented that their standard of living would drop once their unemployment benefits ran out.



TABLE 21

SOURCE OF PRESENT INCOME OF UNEMPLOYED

SOURCE OF INCOME/HOUSEHOLD/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
U.I. Benefits	8	88.9	12	100.0	20	95.2
Spouse	6	66.7	8	66.7	14	66.7
Pension	0	0	1	8.3	1	4.8
Other	1	11.1	3	25.0	4	19.0

SOURCE OF SPOUSAL INCOME/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
U.I. Benefits	1	16.7	1	9.1	2	11.8
Full-time work	2	33.3	3	27.3	5	29.4
Part-time work	3	33.3	5	45.5	7	41.2
No income	1	16.7	2	18.2	3	17.6



TABLE 22

PRESENT INCOME/EXPENSES/SAVINGS OF UNEMPLOYEDPRESENT YEARLY HOUSEHOLD INCOME/AGE\*

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Less than \$10,000	2	25.0	1	8.3	3	15.0
\$10,000-\$14,999	3	37.5	6	50.0	9	45.0
\$15,000-\$19,999	3	37.5	2	16.6	5	25.0
\$20,000-\$24,999	0	0	2	16.6	2	10.0
\$25,000 or more	0	0	1	8.3	1	5.0

% INCOME PAID ON BASIC MONTHLY EXPENSES/AGE\*

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
80-100	3	37.5	1	8.3	4	20.0
60-79	4	50.0	5	41.7	9	45.0
40-59	0	0	3	25.0	3	15.0
Less than 40	1	12.5	3	25.0	4	20.0

SAVINGS/ASSETS AT TIME OF INTERVIEW/AGE\*

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Nil	2	22.2	0	0	2	9.5
Less than \$5,000	4	44.4	1	8.3	5	23.8
\$5,000-\$10,000	2	22.2	4	33.3	6	28.6
More than \$10,000	1	11.1	7	58.3	8	38.1

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\* One respondent did not report income.



TABLE 23

STATISTICS CANADA LOW-INCOME CUT-OFFS

1983 Estimates

Population of Area of Residence

<u>No. in Family</u>	<u>100,000- 499,999</u>
1	\$ 9,058
2	11,942
3	15,952
4	18,434
5	21,401
6	23,325
7 or more	25,729

Source: National Council on Welfare





TABLE 24

STATUS OF INCOME OF UNEMPLOYEDSTATUS ON POVERTY LEVEL/AGE\*

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Above	4	50.0	7	57.3	11	55.0
Below	4	50.0	5	41.7	9	45.0

STATUS ON SAVINGS/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Have not used	0	0	6	50.0	6	23.6
Have used	7	77.8	6	50.0	13	61.9
Ran out	2	22.2	0	0	2	9.5

HOW LONG CAN PRESENT STANDARD OF LIVING BE MAINTAINED/AGE

	25-44		45-64		Total	
	No.	% Younger	NoP	% Older	No.	% Total
Less than 6 mos.	5	55.6	8	66.7	13	61.9
6-12 mos.	3	33.3	3	25.0	6	28.6
Greater than 12 mos.	1	11.1	1	8.3	2	9.5

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\* One respondent did not report income.



## STATUS OF COPING ABILITY

This section will deal generally with the coping abilities of the respondents to their unemployment. The results (see Table 25) show no significant differences between the two age groups.

The majority of respondents (85%) indicated that they were experiencing some stress and anxiety as a result of their unemployment. Forty percent indicated a high level of stress and anxiety (anger, frustration and depression). Two respondents admitted to a shortness of temper directed at their children. Forty-five percent said that they were managing presently but qualified their comments by indicating varying levels of anxiety regarding their future financial circumstances.

All but one of the respondents (95%) indicated that their greatest concern was their present financial situation, indicating uncertainty as to what they would do once their U.I. benefits were exhausted. Their comments stated their fear of losing everything they had worked for, not being able to find a job and having to apply for welfare assistance. The younger workers worried that they would be unable to achieve their future goals and plans, and, as well, indicated some uncertainty as to how they could save for their retirement. The older workers were more worried about "getting by" the few years before they reached age sixty-five to become eligible for benefits from the Canadian pension programs. The despair that followed these comments was best exemplified by the tears that flowed as the words were spoken by one older respondent.

The home life of a higher proportion of individuals (55%) appears to have undergone some disruption as a result of their unemployment. These respondents indicated tension with their families with comments like "lots of friction", "they don't realize the situation" and "my wife would like to get rid of me". Forty-five percent reported receiving some degree of emotional support from their families. Their comments indicated minimal

tension as a result of their unemployment. Only one individual reported no tension in his home, as he had no family.

The physical health of the majority of respondents (77%) had not changed since the closure. Only one respondent indicated feeling healthier than before. Four respondents (18%), however, have attributed their being less healthy as a direct result of their unemployment. One individual complained of having more aches and pains, another had developed high blood pressure, one was experiencing shakiness, blurry vision and muscle spasms, while another reported walking around his home at times in a daze. Two individuals have sought medical help as a result of these symptoms.

Another major complaint from the majority of the respondents (59%) was that their present activity levels compared to their pre-closure activity levels had decreased significantly. Twenty-seven percent reported an activity level similar to their preclosure levels, and only 14% reported being more active than before. Many respondents complained that their inactivity had resulted in their gaining more body weight. Most of their activities were centred about the home. The respondents were finding that they were sleeping more, eating more, and watching more television, especially during the winter months. A number of respondents were keeping themselves busy by doing household chores and various other projects in the home. Some respondents indicated going for long walks to cope with the boredom.

At the time of the interviews, 40% of the respondents reported that they were not experiencing any personal difficulties. Twenty-seven percent reported that they were having difficulty making ends meet and six individuals (27%) reported that they were having difficulty coping emotionally with their immediate circumstance.

TABLE 25

COPING ABILITIES OF UNEMPLOYEDSTATUS ON EMOTIONAL HEALTH/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Indicated anger, frustration and depression	4	40.0	5	41.7	9	40.1
So far not bad, coping, as well as can be expected	4	40.0	6	50.0	10	45.4
No indication of stress or anxiety	2	20.0	1	1.3	3	13.6

EMOTIONAL SUPPORT FROM FAMILY/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Reported support from family*	5	50.0	4	40.0	9	45.0
Reported some support from family	4	40.0	3	30.0	7	35.0
Reported no support from family	1	10.0	3	30.0	4	20.0

STATUS ON PHYSICAL HEALTH/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Feel healthier	0	0	1	8.3	1	4.5
About same	8	80.0	9	75.0	17	77.3
Less healthy	2	20.0	2	16.7	4	18.2

cont'd...





Table 25: Coping Abilities of Unemployed cont'd

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ACTIVITY LEVEL/AGE

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
Very active	3	30.0	0	0	3	13.6
About same	1	10.0	5	41.7	6	27.3
Less active	6	60.0	7	58.3	13	59.1

PERSONAL DIFFICULTIES

	25-44		45-64		Total	
	No.	% Younger	No.	% Older	No.	% Total
None	4	40.0	5	41.7	9	40.1
Finances	3	30.0	3	25.0	6	27.3
Coping	2	20.0	4	33.3	6	27.3
Feeling Unproductive	1	10.0	0	0	1	4.5

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\* Two comments not included as they answered specifically to financial support.



## SECTION 6

### CONCLUSIONS

#### INTRODUCTION

The conclusions cited in this section pertain to Consolidated Bathurst. No attempt is being made to suggest that these conclusions represent the general population of both older and younger workers displaced from their former place of employment. The conclusions, however, tend to support the findings of the literature surveyed.

#### CASE STUDY

In this sample, only 30.8% had experienced complete labour market re-adjustment (i.e. found full-time work). The older worker in the 55-64 year age category experienced the least adjustment. Overall, older workers tended to receive a lower income and worse benefit package when compared to their pre-closure situation and also reported a higher degree of dissatisfaction with both their positions and incomes, compared to the younger worker. Of the older workers who found jobs, all found jobs related to their former positions with the majority finding work within twelve weeks of unemployment. This suggests that the possession of a transferable skill and labour market adjustment almost immediately after closure is a crucial process for the successful re-integration of the older worker. Younger workers have shown more flexibility in the type of job they were able to get and generally have shown labour market adjustment over a longer period of unemployment. Older workers are more likely to experience a longer duration of unemployment and are less likely to have found at least one job since the closure. Age was the primary reason older workers attributed to their unemployment, while younger workers complained of a poor economy. Age discrimination could be a primary factor working against the older worker.

Older workers indicated strongly that they do not need retraining, again citing age as their primary reason. Younger workers were more responsive to retraining as a possible alternative to finding work with a higher proportion already registered in either upgrading or some retraining program. All respondents who are presently involved in retraining did so towards the end of their benefit period suggesting the termination of Unemployment Insurance benefits as one motivating factor.

Just over half of both the younger and older workers had taken job search instruction at the beginning of their unemployment period, with the majority finding it useful, especially in the preparation of a resumé. There was a strong association between job search instruction and both having a resumé and any awareness of government programs. This suggests that job search instruction is important in the relaying of information regarding resumé writing and government programs.

The findings generally indicate a low level of job search activity for both groups (i.e. methods used to find work, hours actively looking for work, companies applied to and contact with an employment counsellor; the critical areas to an effective job search). Both groups think there is little hope that the employment situation will change. More younger workers, however, are still hopeful that they will find work. Older workers generally feel that they have explored all possibilities for finding work, whereas the younger workers still feel that they can do more. This suggests a higher degree of both hopelessness and helplessness on the part of the older worker.

A high proportion (50%) of the older workers indicated that they need job leads in order to find work, suggesting a high degree of discouragement with their own ability to find work. This, along with the tendency for the older worker to feel more hopeless and helpless, could have more detrimental effects on the self-esteem of older workers in comparison to younger workers. Younger workers, because they are in or

are more open to retraining or because they have already found at least one job, are not faced with the lingering consequences of long-term unemployment as are the older workers.

The younger workers appear to be experiencing more hardship with respect to their financial circumstances while unemployed. The family size for the younger workers is larger than for the older workers, with the majority of younger workers still owing mortgages on their homes. The younger workers are more likely to be spending a greater percentage of their income on basic monthly expenses, are more likely to be below or marginally above the poverty level and are more likely to have used or exhausted their savings. The older workers tend to have more savings with a high proportion not having used them to meet their basic monthly expenses, while they are on unemployment benefits.

There appears to be a strong link between financial circumstances and the degrees of stress and anxiety experienced by both groups. The greatest concern cited by nearly all the respondents was what they will do when their unemployment benefits run out. The majority of both groups indicated that their standard of living will drop when their benefits run out. Some indicated welfare as an alternative with the majority not really knowing what they would do. Forty percent of both groups indicated a high degree of stress and anxiety (anger, frustration and depression) with a further forty-five percent indicating some stress and anxiety. The majority of both groups (55%) indicated some tension or no support whatsoever from their families. These figures generally indicate a high level of disruption to the lives of unemployed workers. The majority of both the older and younger workers are already experiencing personal difficulties because of their unemployment. Financial and personal coping difficulties were the two reasons cited with a slightly higher proportion of older workers indicating personal coping problems. A further small percentage of both younger and older workers (18.2%) have attributed being less healthy to their unemployed situation.



## PROGRAMS

Government programs designed to help workers readjust to the labour market do not appear to be of much assistance to the older worker. The Manpower Consultative Service in its bid to help displaced workers through the Manpower Adjustment Program (i.e. placement committee) appears to be more helpful in adjusting younger workers back into the labour market than older workers. More than twice as many younger workers benefited by this program than older workers. Even fewer older workers in the 55-64 year age bracket benefited by this program. Again, this could be the result of age discrimination.

The Placement Committee was directly responsible for organizing the workers into attending two career workshops offered through Mohawk College, the Occupational Educational Adjustment Program and Orientation to Change. The older worker appears to have received more benefit from the Orientation to Change program, as it was responsible for providing direct access into the upgrading and retraining programs at Mohawk's Saltfleet Campus. Many Consolidated Bathurst workers took advantage of this opportunity. This contradicts an earlier finding that older workers saw no value in retraining. However, given the choice of continuing or exhausting Unemployment Insurance benefits, a large number of older workers seem to have opted for benefit continuation, as retraining would provide further benefits up to a maximum period of fifty-two weeks. Retraining could also provide the older worker with some measure of hope for the future.

Orientation to Change in comparison to the Occupational Educational Adjustment Program is more comprehensive and longer in duration, giving the displaced worker, especially the older worker, more time to process all the information necessary to promote effective job search and career strategies. This program would appear to help older workers overcome the age problem normally associated with retraining.

Under the Industrial Labour Adjustment Program (ILAP), both the \$2/hour portable wage subsidy program and the Labour Adjustment Benefit Program appear to offer little help to older Consolidated Bathurst workers. The \$2/hour portable wage subsidy program offering subsidy vouchers to employers who hire displaced older workers from designated industries did not help Consolidated Bathurst workers find jobs. It would appear that subsidy vouchers are not that appealing to employers in the case of older workers. Age discrimination could again be a factor in the success of this program.

The Labour Adjustment Benefit program, a program designed to provide income maintenance at a level similar to Unemployment Insurance benefits would appear to be an effective program for older Consolidated Bathurst workers, however Consolidated Bathurst was not designated an ILAP industry. There appears to be some discrepancy in the procedure used to designate industries qualifying for ILAP, as the older workers from Consolidated Bathurst qualified for the \$2/hour wage subsidy program but not the Labour Adjustment Benefit program, both ILAP programs.

The data suggests that older workers are experiencing less financial difficulty than the younger workers when they are collecting Unemployment Insurance benefits. The Labour Adjustment Benefit program would maintain the older worker at a level similar to Unemployment Insurance benefits and at some reasonable standard of living above the poverty line until they reach the age of sixty-five to qualify for other government pension programs. This could alleviate a lot of the anxiety the older worker is presently experiencing, as it would greatly diminish financial concerns throughout the years prior to retirement.

## LEGISLATION

The impact of plant closures seems to be taking its greatest toll on the older worker, as they face the longest duration of unemployment compared to their younger counterpart. In the case of Consolidated Bathurst, the toll is even greater as the majority of older workers are not eligible for early retirement provisions. The benefits to which a displaced worker is entitled all depend on legislation or the union's success in negotiating provisions at the bargaining table. In Ontario, the legislation regulating plant closures is minimal and to a large extent, workers depend almost entirely on their unions, if they have one, to receive concessions during the closure process.

Legislation regulating plant closures is crucial in this area because it provides for equitable treatment of all workers regardless of the strength of the union behind them. Older workers have invested many years of their time and effort in securing steady employment in order to maintain a reasonable standard of living. It is our responsibility to ensure that older workers maintain that for which they have worked diligently.

## SECTION 7

### RECOMMENDATIONS

#### INTRODUCTION

The following recommendations are based on the conclusions and data collected by this Author and suggest various intervention strategies that could be useful in helping older workers cope better with their unemployed situation. Suggestions have been made for the need to further examine the situation of the displaced older worker, to determine whether intervention should be directed at re-integration into the labour force or to provide older workers with some reasonable measure of income maintenance, to carry them through to their legal retirement age. This study was not able to ascertain which of these courses of action would be more beneficial to the older worker.

The intent of these recommendations is to provide alternative social policy strategies aimed at broadening the options available to older workers. In this manner, a more comprehensive approach can be taken to structure social policy for the benefit of all older workers.

#### INTERVENTION STRATEGIES

The Canadian Mental Health Association emphasizes that the current technological revolution is intensifying unemployment and polarizing Canada's labour force between those who benefit in terms of employment and earning and those who are pushed into the low-wage service sector or onto the welfare roles. Economic planning is needed to deal with the distribution consequences caused by these basic structural changes. The Social Planning and Research Council of Hamilton and District believes that the critical measure of the effectiveness of any economic policy is the proportion of social dislocation it tolerates (SPRC, 1983, pg.15). The Council further argues that unless an economic policy is wedded to social policy, and unless each is directed toward humane social goals, then there is no

alternative but to label them both ineffective (SPRC, 1983, pg.15). We therefore recommend that:

- 1) GOVERNMENT MUST ASSUME LONG-TERM PLANNING FOR THE DEVELOPMENT AND UTILIZATION OF TECHNOLOGY AND FOR THE DISTRIBUTION OF BOTH EMPLOYMENT AND INCOME.

The likelihood of older workers exhausting their unemployment insurance benefits is high. If older workers are unable to find work then some continuity of income needs to be built in to provide a reasonable standard of living to maintain the physical and emotional well-being of older workers. Many older workers at Consolidated Bathurst did not have the option to take early retirement, nor did they expect to lose their jobs. If some provision for income maintenance is not instituted, then the likelihood of older workers exhausting their savings and becoming dependent on welfare assistance increases.

The Labour Adjustment Benefit Program, under ILAP would provide older workers with a reasonable level of income in the event that their unemployment insurance benefits are exhausted. It is therefore recommended:

- 2) THAT THE LABOUR ADJUSTMENT BENEFIT PROGRAM BE MADE AVAILABLE TO ALL OLDER WORKERS WHO ARE DISPLACED FROM THEIR JOBS, AFTER LONG TERM SERVICE, BY COMPLETE PLANT SHUTDOWNS, PARTIAL SHUTDOWNS OR INDEFINITE LAYOFFS.

Wage subsidy programs offer employers opportunities to acquire labour at a reduced rate for a specified time, as an incentive to provide on the job training. Given the barriers faced by the older worker in finding gainful employment, wage subsidy programs would appear to be an effective strategy to help older workers adjust to new skills and a new work environment. It would also provide incentives to employers to hire older workers and minimize age discrimination as



a barrier to finding employment. It is therefore recommended:

- 3) THAT WAGE SUBSIDY PROGRAMS BE TAILORED TO THE NEEDS OF THE OLDER WORKER AND MARKETING ON THEIR BEHALF IN A SIMILAR MANNER TO WAGE-SUBSIDY PROGRAMS FOR YOUTH.

The Canada Employment Centre offers a number of services, including wage subsidy programs, employment counselling and job placement. The utilization of these services by older workers appears to be extremely limited. It is therefore recommended:

- 4) THAT GREATER EFFORT BE TAKEN ON THE PART OF THE CANADA EMPLOYMENT CENTRE TO ASSIST OLDER WORKERS DIRECTLY AS PART OF COMPLETE JOB SEARCH STRATEGY.

In-class employment programs of limited duration, such as the Occupational Educational Adjustment Program and the Orientation to Change program, have been used to assist older workers with their job search. Orientation to Change appears to be the more beneficial program for the older worker because it is longer in duration, more comprehensive and it also allows the older worker to take advantage of the upgrading and retraining programs offered at Mohawk College. Direct benefits of this program need to be assessed to determine whether upgrading and retaining is useful to the older worker in the long run or whether they are a method by which Unemployment Insurance benefits are temporarily continued. If this is the case, then other programs would be more useful for the continuation of benefits. It is therefore recommended:

- 5) THAT IN-CLASS EMPLOYMENT PROGRAMS BE ASSESSED TO DETERMINE THEIR EFFECTIVENESS IN ASSISTING OLDER WORKERS IN THE IMPROVEMENT OF THEIR JOB SEARCH METHODS AND SKILLS TO FACILITATE SUCCESSFUL RE-INTEGRATION INTO THE LABOUR MARKET.

The timing of these programs appears to be crucial, as the evidence suggests that the three month period after the closure is the



most significant period for the older worker to experience success at reintegrating into the labour market. It is therefore, recommended:

- 6) THAT OLDER WORKERS BE DIRECTED TO IN-CLASS EMPLOYMENT PROGRAMS, IF THEY PROVE EFFECTIVE, IMMEDIATELY AFTER THE CLOSURE PROCESS.

Older workers have to contend with a number of barriers to finding suitable employment (i.e. age discrimination, redundant skills and lower self-esteem brought on by the prospect of long term unemployment), therefore, they require additional help if they choose to remain in the labour force and achieve successful integration. It is therefore recommended:

- 7) THAT OUTREACH PROGRAMS, UTILIZING TRAINED COUNSELLORS, FUNDED THROUGH SOME COST SHARING BASIS BY BOTH THE GOVERNMENT AND THE PRIVATE SECTOR BY EXPANDED OR CREATED TO DEAL SPECIFICALLY WITH THE OLDER WORKER AS A TARGET GROUP.

Trained counsellors need to be assigned on an ongoing basis to assist older workers in their job search and to provide the support and direction necessary to maintain the physical and emotional well-being of older workers during a period of major disruption in their lives. In the event that the Manpower Consultative Service organizes a Manpower Adjustment Program (i.e. Placement Committee) after a plant closure, it is further recommended:

- 8) THAT TRAINED COUNSELLORS BECOME PART OF THE JOINT CONSULTATIVE COMMITTEE ON A FULL-TIME BASIS TO PROVIDE A DIRECT LINK BETWEEN THE OLDER WORKER, OTHER SUPPORT AGENCIES AND EMPLOYMENT PROGRAMS, IN THE EVENT OF PLANT CLOSURES.

The Placement Committee appears to be a successful program for the younger worker but does not appear as successful for the older worker.

## LEGISLATIVE INITIATIVES

The Ontario Federation of Labour (OFL) has prepared a response to the Minister of Labour in Ontario, proposing a number of amendments to the Employment Standards Act. These proposals should be given serious consideration. The response states, "while many jurisdictions in the rest of the industrial world, notably Europe and Japan, see loss of employment as a result of workforce reductions, as a major social issue requiring the attention of policy makers at the governmental and industry level and that they have undergone considerable development in the provision of safety nets through legislative and administrative action, Canada and Ontario still lag far behind despite the severity of the problems Canadian workers face." (OFL, 1983, pg.3) Legislative initiatives could be created to deter plant shutdowns and to lessen the burden on the workers in the event that shutdowns cannot be averted.

In West Germany, employers have a mandatory series of procedures to follow with the state having a say as to whether a plant can be shut down or that workers could be dismissed, with these steps taking place before shutdown action is taken (OFL, 1983, pg.4) Legislation could be designed to discourage plant closing and layoffs, to compel employers to account to the public for their intended action and that they show a responsibility to the workers and to the community; to cushion the effects of layoffs and plant closings that are inevitable and to provide for re-training, severance pay and adequate pensions for those forced into early retirement (OFL, 1983, pg.5).

Furthermore, a recent submission to the Royal Commission on the Economic Union and Development Prospects for Canada, submitted by the Social Planning and Research Council of Hamilton and District (1983) recommends that "the federal government convene a national conference for appropriate federal and provincial ministers to study

the feasibility of introducing a program of guaranteed annual income which would integrate all existing income maintenance and income security programs" (SPRC, 1983, pg.1). This would provide the older worker with a reasonable level of income and help offset the sense of despair faced by older workers especially in the case of Consolidated Bathurst workers.

Another submission to the Royal Commission, submitted by the Canadian Mental Health Association (1983) states that "unemployment is not in the majority of cases the fault of the individual; rather, it is a phenomena that grows out of a system and therefore it can be eradicated only if changes to the system are implimented; blaming or changing the individual will not make the problem disappear (CMH, 1983, pg.2). Complete plant closures, partial closures and indefinite layoffs create such unemployment. The prospect of long-term unemployment and the exhaustion of unemployment insurance benefits is a reality facing the older worker and can be attributed directly to our system and its economic and social policies.

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APPENDIX 1





## REGULATION 286

### under the Employment Standards Act

#### TERMINATION OF EMPLOYMENT

##### 1. For the purposes of Part XII of the Act,

(a) "temporary lay-off" means,

(i) a lay-off of not more than thirteen weeks in any period of twenty consecutive weeks,

(ii) a lay-off of more than thirteen weeks where,

(A) the person continues to receive payments from the employer,

(B) the employer continues to make payments for the benefit of the person laid off under the provisions of a *bona fide* retirement or pension plan or under a *bona fide* group or employee insurance plan

(C) the person laid off receives supplementary unemployment benefits, or

(D) the person laid off is entitled to be in receipt of supplementary unemployment benefits but does not receive the same because he is employed elsewhere during the lay-off, or

(iii) a lay-off of more than thirteen weeks where the employer recalls the person within the time or times fixed by the Director

(b) "termination of employment" includes a lay-off of a person for a period longer than a temporary lay-off,

(c) "week of lay-off" means a week in which a person receives less than one-half of the amount he would earn at his regular rate in a normal non-overtime work week, but shall not mean a week in which a person,

(i) was not able to work or not available for work

(ii) was subject to disciplinary suspension or

(iii) was not provided with work by his employer by reason of any strike or lock-out occurring at his place of employment or elsewhere. R.R.O. 1980, Reg. 286, s. 1.

2. Part XII of the Act does not apply to a person who,

(a) is laid off after refusing an offer by his employer of reasonable alternate work,

(b) is laid off after refusing alternate work made available to him through a seniority system,

(c) is on lay-off and does not return to work within a reasonable time after being requested to do so by his employer,

(d) is laid off or terminated during or as a result of a strike or lock-out at his place of employment

(e) is employed in the construction, alteration, decoration, repair or demolition of buildings, structures, roads, sewers, water or gas mains, pipelines, tunnels, bridges, canals or other works at the site thereof,

(f) is employed under an arrangement whereby he may elect to work or not for a temporary period when requested so to do, or

(g) having reached the age of retirement according to the established practice of the employer, has his employment terminated. R.R.O. 1980, Reg. 286, s. 2.

3. An employer who is engaged in the building, alteration or repair of a ship or vessel with a gross tonnage of over ten tons designed for or used in commercial navigation is exempt from the provisions of Part XII of the Act in respect of an employee to whom a *bona fide* supplementary unemployment benefit fund plan or arrangement applies that has been agreed upon by the employer and the employee or his agent if the employee or his agent consents or agrees in writing to such exemption. R.R.O. 1980, Reg. 286, s. 3.

4. Subject to section 5, the notice required to be given by an employer under subsection 40 (2) of the Act shall not be less than,

(a) eight weeks' notice if the employment of fifty or more persons and fewer than 200 persons is to be terminated at an establishment,







(2) An authorization in writing which permits a deduction from the said amounts for,

- (a) cash shortages where two or more persons have access to the cash;
- (b) losses due to faulty workmanship; or
- (c) the value of property stolen from the person.

is null and void. R.R.O. 1980, Reg. 286, s. 13.

14. Where the employment of a person is terminated by notice of termination or otherwise under the provisions of this Regulation, any payments to which the person is entitled under,

- (a) retirement pension;
- (b) sickness or disability insurance; or
- (c) workmen's compensation.

shall not be payments for the purposes of subsections 40 (6) and (7) of the Act and section 12 of this Regulation. R.R.O. 1980, Reg. 286, s. 14.

15.—(1) Subject to subsection (2), period of employment constitutes the period between the time

that the employment first began and the time that notice of termination is or should have been given and shall include employment before the coming into force of Part XII of the Act.

(2) Successive periods of employment of a person by an employer shall constitute one period of employment except where the successive periods of employment are more than thirteen weeks apart in which case the period of last employment shall constitute the period of employment for the purposes of Part XII of the Act. R.R.O. 1980, Reg. 286, s. 15.

16.—(1) Where a person is employed for a term or a task and the term or task exceeds a period of twelve months, the employment shall be deemed not to be employment for a definite term or task.

(2) Where a person who is employed for a definite term or task continues to be employed for a period of three months or more after completion of the term or task for which he was employed, the employment of that person shall be deemed not to be employment for a definite term or task and his employment shall be deemed to have commenced at the beginning of the term or task. R.R.O. 1980, Reg. 286, s. 16.







